

1 **FINANCIAL RESPONSIBILITY OF MOTOR**
2 **VEHICLE OWNERS AND OPERATORS ACT**
3 **AMENDMENTS**

4 2010 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: Richard A. Greenwood**

7 Senate Sponsor: Jon J. Greiner

8
9 **LONG TITLE**

10 **General Description:**

11 This bill modifies the Financial Responsibility of Motor Vehicle Owners and Operators
12 Act by amending provisions relating to evidence of insurance requirements.

13 **Highlighted Provisions:**

14 This bill:

15 ▶ repeals the exception that prohibits a person from using a renewal notice or a card
16 issued by an insurance company as evidence that the person had owner's or
17 operator's security in effect for the vehicle the person was operating at the time of
18 the person's citation or arrest for a violation of operating a motor vehicle without
19 having evidence of owner's or operator's security for the vehicle in the person's
20 immediate possession.

21 **Monies Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 AMENDS:

27 **41-1a-109**, as last amended by Laws of Utah 2000, Chapter 345



28 **41-12a-303.2**, as last amended by Laws of Utah 2003, Chapter 298

29 **41-12a-804**, as last amended by Laws of Utah 2006, Chapter 130



31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section **41-1a-109** is amended to read:

33 **41-1a-109. Grounds for division refusing registration or certificate of title.**

34 (1) The division shall refuse registration or issuance of a certificate of title or any
35 transfer of registration upon any of the following grounds:

36 (a) the application contains any false or fraudulent statement;

37 (b) the applicant has failed to furnish required information or reasonable additional
38 information requested by the division;

39 (c) the applicant is not entitled to the issuance of a certificate of title or registration of
40 the vehicle under this chapter;

41 (d) the division has reasonable grounds to believe that the vehicle is a stolen vehicle or
42 that the granting of registration or the issuance of a certificate of title would constitute a fraud
43 against the rightful owner or other person having a valid lien upon the vehicle;

44 (e) the registration of the vehicle is suspended or revoked for any reason provided in
45 the motor vehicle laws of this state; or

46 (f) the required fees have not been paid.

47 (2) The division shall also refuse registration or any transfer of registration if the
48 vehicle is mechanically unfit or unsafe to be operated or moved upon the highways.

49 (3) The division shall refuse registration or any transfer of registration of a vehicle
50 upon notification by the Department of Transportation that the vehicle or owner is not in
51 compliance with Title 72, Chapter 9, Motor Carrier Safety Act.

52 (4) The division may not register a vehicle if the registration of the vehicle is revoked
53 under Subsection 41-1a-110(2) until the applicant provides proof:

54 (a) of owner's or operator's security in a form allowed under Subsection

55 [~~41-12a-303.2(4)~~] 41-12a-303.2(2)(b);

56 (b) of exemption from the owner's or operator's security requirements; or

57 (c) that the applicant was not an owner of the vehicle at the time of the alleged
58 violation or on the day following the time limit provided after the second notice under

59 Subsection 41-12a-804(2).

60 Section 2. Section **41-12a-303.2** is amended to read:

61 **41-12a-303.2. Evidence of owner's or operator's security to be carried when**
62 **operating motor vehicle -- Defense -- Penalties.**

63 (1) As used in this section:

64 (a) "Division" means the Motor Vehicle Division of the State Tax Commission.

65 (b) "Registration materials" means the evidences of motor vehicle registration,
66 including all registration cards, license plates, temporary permits, and nonresident temporary
67 permits.

68 (2) (a) (i) A person operating a motor vehicle shall:

69 (A) have in the person's immediate possession evidence of owner's or operator's
70 security for the motor vehicle the person is operating; and

71 (B) display it upon demand of a peace officer.

72 (ii) A person is exempt from the requirements of Subsection (2)(a)(i) if the person is
73 operating:

74 (A) a government-owned or leased motor vehicle; or

75 (B) an employer-owned or leased motor vehicle and is driving it with the employer's
76 permission.

77 (b) Evidence of owner's or operator's security includes any one of the following:

78 (i) a copy of the operator's valid:

79 (A) insurance policy;

80 (B) insurance policy declaration page;

81 (C) binder notice;

82 (D) renewal notice; or

83 (E) card issued by an insurance company as evidence of insurance;

84 (ii) a certificate of insurance issued under Section 41-12a-402;

85 (iii) a certified copy of a surety bond issued under Section 41-12a-405;

86 (iv) a certificate of the state treasurer issued under Section 41-12a-406;

87 (v) a certificate of self-funded coverage issued under Section 41-12a-407; or

88 (vi) information that the vehicle or driver is insured from the Uninsured Motorist

89 Identification Database Program created under Title 41, Chapter 12a, Part 8.

90 (c) Evidence of owner's or operator's security from the Uninsured Motorist
91 Identification Database Program described under Subsection (2)(b)(vi) supercedes any
92 evidence of owner's or operator's security described under Subsection (2)(b)(i)(D) or (E).

93 (3) It is an affirmative defense to a charge under this section that the person had
94 owner's or operator's security in effect for the vehicle the person was operating at the time of
95 the person's citation or arrest.

96 (4) (a) Evidence of owner's or operator's security as defined under Subsection (2)(b)
97 [~~except Subsections (2)(b)(i)(D) and (E)~~] or a written statement from an insurance producer or
98 company verifying that the person had the required motor vehicle insurance coverage on the
99 date specified is considered proof of owner's or operator's security for purposes of Subsection
100 (3) and Section 41-12a-804.

101 (b) The court considering a citation issued under this section shall allow the evidence
102 or a written statement under Subsection (4)(a) and a copy of the citation to be faxed or mailed
103 to the clerk of the court to satisfy Subsection (3).

104 (c) The notice under Section 41-12a-804 shall specify that the written statement under
105 Subsection (4)(a) and a copy of the notice shall be faxed or mailed to the designated agent to
106 satisfy the proof of owner's or operator's security required under Section 41-12a-804.

107 (5) A violation of this section is a class B misdemeanor, and the fine shall be not less
108 than:

109 (a) \$400 for a first offense; and

110 (b) \$1,000 for a second and subsequent offense within three years of a previous
111 conviction or bail forfeiture.

112 (6) Upon receiving notification from a court of a conviction for a violation of this
113 section, the department:

114 (a) shall suspend the person's driver license; and

115 (b) may not renew the person's driver license or issue a driver license to the person
116 until the person gives the department proof of owner's or operator's security.

117 (i) This proof of owner's or operator's security shall be given by any of the ways
118 required under Section 41-12a-401.

119 (ii) This proof of owner's or operator's security shall be maintained with the department
120 for a three-year period.

121 (iii) An insurer that provides a certificate of insurance as provided under Section
122 41-12a-402 or 41-12a-403 may not terminate the insurance policy unless notice of termination
123 is filed with the department no later than 10 days after termination as required under Section
124 41-12a-404.

125 (iv) If a person who has canceled the certificate of insurance applies for a license
126 within three years from the date proof of owner's or operator's security was originally required,
127 the department shall refuse the application unless the person reestablishes proof of owner's or
128 operator's security and maintains the proof for the remainder of the three-year period.

129 Section 3. Section **41-12a-804** is amended to read:

130 **41-12a-804. Notice -- Proof -- Revocation of registration -- False statements --**
131 **Penalties -- Exemptions -- Sales tax enforcement.**

132 (1) If the comparison under Section 41-12a-803 shows that a motor vehicle is not
133 insured for two consecutive months, the Motor Vehicle Division shall direct that the designated
134 agent provide notice to the owner of the motor vehicle that the owner has 15 days to provide:

135 (a) proof of owner's or operator's security in a form allowed under Subsection
136 [~~41-12a-303.2(4)~~] 41-12a-303.2(2)(b); or

137 (b) proof of exemption from the owner's or operator's security requirements.

138 (2) If an owner of a motor vehicle fails to provide satisfactory proof of owner's or
139 operator's security to the designated agent, the designated agent shall:

140 (a) provide a second notice to the owner of the motor vehicle that the owner now has
141 15 days to provide:

142 (i) proof of owner's or operator's security in a form allowed under Subsection
143 [~~41-12a-303.2(4)~~] 41-12a-303.2(2)(b); or

144 (ii) proof of exemption from the owner's or operator's security requirements;

145 (b) for each notice provided, indicate information relating to the owner's failure to
146 provide proof of owner's or operator's security in the database; and

147 (c) provide this information to state and local law enforcement agencies as requested in
148 accordance with the provisions under Section 41-12a-805.

149 (3) The Motor Vehicle Division:

150 (a) shall revoke the registration upon receiving notification under Subsection
151 41-1a-110(2);

152 (b) shall provide appropriate notices of the revocation, the legal consequences of
153 operating a vehicle with revoked registration and without owner's or operator's security and
154 instructions on how to get the registration reinstated; and

155 (c) may direct the designated agent to provide the notices under this Subsection (3).

156 (4) Any action by the Motor Vehicle Division to revoke the registration of a motor
157 vehicle under this section may be in addition to an action by a law enforcement agency to
158 impose the penalties under Section 41-12a-302 or 41-12a-303.2.

159 (5) (a) A person may not provide a false or fraudulent statement to the Motor Vehicle
160 Division or designated agent.

161 (b) In addition to any other penalties, a person who violates Subsection (5)(a) is guilty
162 of a class B misdemeanor.

163 (6) The department and the Motor Vehicle Division shall direct the designated agent to
164 exempt from this section a farm truck that:

165 (a) meets the definition of a farm truck under Section 41-1a-102; and

166 (b) is registered as a farm truck under Title 41, Chapter 1a, Motor Vehicle Act.

167 (7) This part does not affect other actions or penalties that may be taken or imposed for
168 violation of the owner's and operator's security requirements of this chapter.

169 (8) If a comparison under Section 41-12a-803 shows that a motor vehicle may not be in
170 compliance with motor vehicle registration or sales and use tax laws, the Motor Vehicle
171 Division may direct that the designated agent provide notice to the owner of a motor vehicle
172 that information exists which indicates the possible violation.

Legislative Review Note
as of 1-25-10 12:57 PM

Office of Legislative Research and General Counsel

Fiscal Note

H.B. 261 - Financial Responsibility of Motor Vehicle Owners and Operators

Act Amendments

2010 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
